

Bureau of Land Management, Interior

§ 3536.1

and part 3580 of this title, as applicable.

§ 3535.3 Sale procedures.

§ 3535.3-1 Publication and posting of notice.

Prior to a lease offering, the authorized officer shall publish a notice of lease sale for at least 3 consecutive weeks in a newspaper of general circulation in the area in which the lands are situated. The notice of lease sale also shall be posted for 30 days in the public room of the proper BLM office.

§ 3535.3-2 Contents of notice.

The lease sale notice shall include:

- (a) The time and place of sale;
- (b) The bidding method;
- (c) A description of the tract being offered;
- (d) A description of the deposit of potassium or any potassium compound being offered;
- (e) The minimum bid to be considered; and
- (f) Information on where a detailed statement of the terms and conditions of the lease sale and of the proposed lease may be obtained.

§ 3535.3-3 Detailed statement.

The authorized officer shall also prepare and make available a detailed statement of sale containing:

- (a) The lease form approved by the Director with terms and conditions, including the rental, royalty rates, bond amount and special stipulations;
- (b) An explanation of the manner in which bids may be submitted;
- (c) A notice that each bid shall be accompanied by the bidder's qualifications (See subpart 3502) and one-fifth of the amount bid;
- (d) A notice that the successful bidder(s) shall be required, prior to lease issuance, to pay their proportionate share of the total cost of the publication of the sale notice;
- (e) A warning to all bidders concerning 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders;
- (f) A statement that the Secretary reserves the right to reject any and all bids, and the right to offer the lease to the next qualified bidder if the success-

ful bidder fails to obtain the lease for any reason; and

- (g) Any other information deemed appropriate.

§ 3535.4 Bid opening.

All bids shall be opened and announced at the time and date specified in the notice of lease sale, but no bids shall be accepted or rejected at that time. Bids received after the time specified in the notice of sale shall not be considered. A bid may be withdrawn or modified prior to the time specified in the notice of sale.

§ 3535.5 Award of lease.

After the authorized officer has determined that the highest qualified bid meets or exceeds fair market value, copies of the lease on the form attached to the detailed statement shall be sent to the successful bidder who shall, within a specified time, sign and return the lease form, pay the balance of the bonus bid, pay the first year's rental, pay the publication costs and furnish the required lease bond.

§ 3535.6 Rejection of bid.

(a) If the high bid is rejected for failure of the successful bidder to sign the lease form and pay the balance of the bonus bid, or otherwise comply with the regulations of this subpart, the one-fifth bonus accompanying the bid shall be forfeited to the United States.

(b) If the lease cannot be awarded for reasons determined by the authorized officer to be beyond the control of the successful bidder, the authorized officer shall reject the bid and the deposit submitted with the bid shall be returned.

Subpart 3536—Noncompetitive Leasing: Fringe Acreage Leases and Lease Modifications

§ 3536.1 Lands subject to lease.

Lands available for leasing which are known to contain a deposit of potassium or any potassium compound that extends from an adjoining Federal lease or from privately held lands may be leased noncompetitively either by issuance of a new lease for these lands

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or by adding such lands to an existing Federal lease.

§ 3536.2 Special requirements.

Before a fringe acreage lease may be issued or a lease modified under this subpart, the authorized officer shall determine the following:

(a) The lands are contiguous to an existing Federal lease or to non-federal lands owned or controlled by the applicant;

(b)(1) The new lease for the fringe acreage is not in excess of 2,560 acres; or

(2) The acreage of the modified lease, including additional lands, is not in excess of 2,560 acres;

(c) The mineral deposit is not in an area of competitive interest to holders of other active mining units in the area;

(d) The lands applied for lack sufficient reserves of the mineral resource to warrant independent development; and

(e) That leasing the lands will result in conservation of natural resources and will provide for economical and efficient recovery as part of a mining unit.

§ 3536.3 Filing requirements.

(a) An application shall be filed in triplicate with the proper BLM office. No specific application form is required.

(b) The application shall be accompanied by a nonrefundable filing fee of \$25, and an advance rental payment of 25 cents per acre or fraction thereof for a new lease or at the rental rate set forth in the base lease for a modification made payable to the Department of the Interior—Bureau of Land Management.

(c) The application shall:

(1) Make reference to the serial number of the lease if the lands adjoin an existing Federal lease;

(2) Contain a complete and accurate description of the lands desired;

(3) Include a showing that a deposit of potassium or any potassium compound extends from the applicant's adjoining lease or from private lands owned or controlled by the applicant; and

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(4) Include proof of ownership or control of the mineral deposit in the adjoining lands if not under a Federal lease.

§ 3536.4 Surface management agency.

The surface management agency, if other than the Bureau, shall be consulted in accordance with § 3500.9 and part 3580 of this title, as applicable.

§ 3536.5 Payment of bonus.

Prior to the issuance of a new lease or a modification of an existing lease, the applicant shall be required to pay a bonus in an amount determined by the authorized officer based on an appraisal. In no event shall such payment be less than \$1 per acre or fraction thereof.

§ 3536.6 Terms and conditions of lease.

New leases shall be issued subject to the terms and conditions set out under subpart 3531 of this title. The terms and conditions of a modified lease shall be the same as in the existing lease.

PART 3540—SULPHUR

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